

ORIGINAL

Submitted June 3, 2016

Arizona Corporation Commission

DOCKETED

JUN 3 2016



0000170731

RECEIVED



Critical information and Plea to Docket No. S-20948A-15-0422

2016 JUN -3 P 2:36

AZ CORP COMMISSION  
DOCKET CONTROL

This information is critical to the hearing scheduled for June 6th, 2016. I am asking for the Judge and Commissioners acceptance of this information and plea that Lisa Martinez be removed from the matter before them.

Lisa Martinez ("Lisa") cannot be found subject to penalties for my actions in the capacity of president of a business, in which she did not participate in, nor was she aware of, any improper conduct, solely by virtue of Arizona community property law.

As a preliminary matter, the Notice of Opportunity for Hearing ("Notice") in this matter acknowledges that Lisa's was not involved in the operation of Shadow Beverages and Snacks ("Shadow"). The Notice specifically states that she is joined solely for purposes of determining the liability of her marital community. This plea addresses the marital community's liability.

In general, community property is liable for debts incurred for the benefit of the community. A.R.S. § 25-215(D). A presumption in favor of a community obligation arises "when either spouse incurs a debt during marriage for the benefit of the marital community." *United Bank of Ariz. v. Allyn*, 167 Ariz. 191, 198, 805 P.2d 1012, 1019 (App. 1990). Although generally spouses have equal rights to bind the community property, certain transactions will not bind the community unless both spouses join in the transaction. A.R.S. § 25-214. These include "any transaction of guaranty, indemnity or suretyship." A.R.S. § 25-214(C).

In this case I, as president of Shadow, signed notes to assist in obtaining financing for Shadow from its investors. In many instances, I was requested to personally guarantee Shadow's debts as the owner of the majority shareholder of Shadow. In Arizona, our courts have emphasized that the purpose of A.R.S. § 25-214(C) "is to protect one spouse against obligations undertaken by the other spouse without the first spouse's knowledge and consent" and that this purpose "would be frustrated if the husband . . . were able to charge the wife's interest in the community with the debts he guaranteed." *Vance-Koepnick v. Koepnick*, 197 Ariz. 162, 163, P 6, 3 P.3d 1082, 1083 (App. 1999).

The situation the law seeks to protect against is exactly what is present in this case. I was requested to sign personal guarantees for Shadow, and did so, in many cases, without my wife's knowledge and consent. My actions were for the benefit of Shadow, unrelated to

my marital community. Accordingly, Lisa (and her interest in her community property) cannot be held liable for such amounts for which she did not sign a guarantee, or the resulting liability based on the debts guaranteed.

Although this statute controls the rights between a non-signing spouse and a creditor, Arizona law is not clear regarding whether this statute controls liability of the non-signing spouse in an Administrative Proceeding before the Arizona Corporation Commission Securities Division. It is my position that because the marital community cannot be liable for the guarantee, it likewise cannot be liable for a restitution order based on the debt guaranteed.

The Arizona Commission Corporation argues that the marital community must be found liable if I am found to be liable based only on community property laws. Such a result is counter to prevailing law and policy. Just as in the context of A.R.S. §25-214, "whether the guaranty benefitted the community is beside the point" and "[t]he plain words of [§25-214(C)] have been construed to mean that the community is not bound by any guaranty that is not signed by both spouses, even though the guaranty was for a business that benefitted the marital community." *Rackmaster Sys. v. Maderia*, 219 Ariz. 60, 63, 193 P.3d 314, 317 (Ct. App. 2008).

Here, there was no benefit to the community, and any wrongful actions by me cannot be found to have intended to benefit the community. Rather, I acted in my capacity as a president of Shadow taking steps I believed reasonable and proper to benefit Shadow.

To analyze Lisa's liability for my actions, we can look to the Arizona law related to intentional torts, which provides that the community is not liable for one spouse's malicious acts unless it is specifically shown that the other spouse consented to the act or that the community benefited from it. *Shaw v. Greer*, 67 Ariz. 223, 194 P.2d 430 (1948). The reasoning is that because a malicious tort does not ordinarily benefit the community, the community is not liable without proof of the non-tortfeasor spouse's knowledge of, consent to, or ratification of the other spouse's wrong. *Selby v. Savard*, 134 Ariz. 222, 229, 655 P.2d 342, 349 (1982).

Applying this reasoning to the this matter, there is no evidence that Lisa had knowledge of, consent to, or ratification of my conduct for Shadow, aside from the limited guarantees she signed at my request. Even in these limited instances, Lisa was simply requested to sign a guarantee by her husband for the benefit of my role as president of Shadow, and she did so. This alone is not evidence that Lisa had knowledge of, consent to, or ratification of my allegedly improper actions. To subject Lisa to penalty for improper actions she was not aware of is directly opposed to the public policy in Arizona law, as discussed above.

Listed below are the actions of Lisa and myself for each of the facts listed for each investor.

A - \$50,000 note to George Karas - Lisa did not sign and the note was paid off.

Investor George knew and friend of

B - \$50,000 note to Brent Tunnell - Lisa signed and the note was paid off.

Investor that Joe Dunnigan pitched and brought into Shadow / George did not know

B - \$200,000 note to Brent Tunnell - Lisa signed and the note was paid off.

Investor that Joe Dunnigan pitched and brought into Shadow / George did not know

C - \$75,000 note to Scott Jarus - Lisa did not sign and the note was paid off.

Investor that Sam Jones brought in and pitched - George did not know

D - \$125,000 note to Ron Barrett - Lisa did not sign and the note was paid off.

Investor that George brought in - friend of the family

E - \$100,000 note to Stacey Gervasi - Lisa did not sign and the note has not been paid but for \$5,000 in interest

Daughter of George Karas and investor that George brought in

F - \$500,000 note to Canis Major Development - Lisa did not sign and the note has not been paid.

Investor that Rick Peterson brought in and pitched - George did not know

G - \$250,000 note to Rick Anderson - Lisa did not sign and the note has not been paid.

Cousin to George - George brought this investor in

G - \$250,000 note to Legacy Insurance Company - Lisa did not sign and the note has not been paid.

Cousin to George - George brought this investor in (Rick Anderson's company)

H and I - \$25,000 note to Catherine Leyen and Don Johnson - Lisa did not sign and the note has not been paid.

Catherine was working as a broker for Shadow looking for Capital and was looking for investors

H and I - \$50,000 note to Catherine's mother - Lisa did not sign and the note has not been paid.

Catherine brought her mother in to invest into the company. She was working as a broker for Shadow.

J - \$30,000 note to Jimmy Stephenson - Lisa did not sign and the note has not been paid.

Jimmy was sponsored by Shadow as a race driver for 3 years prior - George spoke to him about investing.

K and L - \$50,000 note to Jason and Robyn Salganick - Lisa did not sign and the note has not been paid.

This investor was brought to Shadow by Rick Peterson - George has never knew them or spoke to them

M - \$100,000 note to Reed Hatkoof - Lisa did not sign and the note has not been paid.

This investor was brought to Shadow by Rick Peterson - George has never knew him or spoke to him

N - \$50,000 note to Michael Crane – Lisa did not sign and the note has not been paid.  
This investor was brought to Shadow by Rick Peterson – George has never knew him or spoke to him

O - \$100,000 note to Kurt Moore – Lisa did not sign and the note has not been paid.  
This investor was brought to Shadow by Rick Peterson – George has never knew him or spoke to him

**With this information of facts I am requesting that Lisa Martinez be dismissed from this hearing and that I am not held responsible for acting solely on the behalf of and for the benefit of Shadow Beverages with no personal gain for myself over the past 5 years.**

**(attached to this request is a financial statement for Lisa and George Martinez)**

**STATEMENT OF PERSONAL FINANCIAL CONDITION****Date 6/1/2016**

<b>First Name</b> Lucio	<b>Middle</b> George	<b>Last</b> Martinez	<b>Social Security Number</b>
<b>Present Home Address</b> 1772 South Comanche Drive, Chandler AZ, 85286			<b>Date of Birth</b> 01/25/1960
<b>How long at this address?</b> <u>3</u> months <u>15</u> years			
<b>Home Telephone Number</b> ( 480 ) 917 - 3672		<b>Mobile Telephone Number</b> ( 602 ) 410 - 7118	
<b>Other Past or Present Names Used:</b> NONE		<b>Other Past or Present Social Security Numbers Used:</b> NONE	

<b>SPOUSE:</b>			
<b>First Name</b> Lisa	<b>Middle</b> Kay	<b>Last</b> Martinez	<b>Social Security Number</b>
<b>Present Home Address</b> 1772 South Comanche Drive, Chandler AZ 85286			<b>Date of Birth</b> 09/21/1968
<b>How long at this address?</b> <u>3</u> months <u>15</u> years			
<b>Home Telephone Number</b> ( 480 ) 917- 3672		<b>Mobile Telephone Number</b> ( 480 ) 329 - 4242	
<b>Other Past or Present Names Used by Spouse:</b> Lisa Kay Smith		<b>Other Past or Present Social Security Numbers Used by Spouse:</b> NONE	

**PRESENT EMPLOYMENT STATUS****George:****1. Occupation:**      Beverage Consultant**2. Employer:**      Self employed

(Name)

2040 South Alma School Rd, Ste 465, Chandler AZ 85286

(Address)

A consulting practice done by George

602-410-7118

(Area Code - Telephone Number)

3. Length of employment: Started the consulting in November 2015
4. Annual income for the past full calendar year: Average \$5,500 gross monthly prior to business expenses
5. Annual income for each of the two full calendar years preceding last calendar year
 

	2015	\$ 50,500
	2014	\$ 40,000
6. List any other present occupations and employers \$ NONE

List all other employment (including self-employment) for the past 3 years including occupation, employer, supervisor, dates of employment, salary, job title, and job responsibilities. If additional space is required, supplement your response by attaching additional pages.

Since 2008 I was a member of the leadership at Shadow Beverages. I worked there till March 31, 2015 and Did not get paid. Only 4-5 months in that timeframe did the company have enough cashflow to pay executives. My pay was the value we were creating at the company and we sold the biggest asset we had in March of 2015 For \$12.2 Million to Mix 1 Life INC. That sale was to pay off all creditors, the same creditors that are filing Claims against me. I have invested my own money into the company per company documents.

**SPOUSE:**

1. Occupation: Community Liaison
2. Employer: Hospice of the Valley
 

	(name)	
	1510 E Flower Street, Phoenix, AZ 85014	
	(Address)	
	602 – 530 – 6920	
	(Area Code - Telephone Number)	
3. Length of employment: 11 years – June of 2016
4. Name of immediate supervisor: Leann Purdy
5. Annual income for the past full calendar year \$ 65,000
6. Annual income for each of the two full calendar years preceding last calendar year
 

		1) \$ 65,000
		2) \$ 60,700
7. List any other present occupations and employers NONE

List all other employment (including self-employment) for the past 3 years including occupation, employer, supervisor, dates of employment, salary, job title, and job responsibilities. If additional space is required, supplement your response by attaching additional pages.

Over the past 8 years while I have invested my time, experience, energy and efforts into building Shadow

Beverages, Lisa has been the bread winner of the family and keeping a roof over our head. Her income

Allowed me the opportunity to build the value of Shadow to \$12.2M over the past 8 years

## INCOME

Set forth the amount of all income that you and your spouse receive each month or the monthly average that you and your spouse have received for the past six months. Enter amounts under "spouse" only if they are the sole and separate property, liability, income or expense of the spouse.

	Joint	Spouse
1. Gross monthly pay .....	\$ 10,980	\$
Business deductions / costs	\$ 800	
Payroll deductions:		
Income Taxes and FICA .....	\$ 1954	\$
Retirement deductions .....	\$ 250	\$
Other deductions (describe below) / medical	\$ 425	\$
Payment to money borrowed from IRA	\$ 525	
2. Net monthly pay .....	\$7,026	\$
3. All other income. State the names, address and telephone number of the payor and describe the source of each payment in the Addendum below.		
Rents (After expenses).....	\$ 200	\$
Retirement income .....	\$ NONE	\$
Social Security income .....	\$ NONE	\$
Dividends and interest income .....	\$ NONE	\$
Disability pay .....	\$ NONE	\$
Unemployment pay .....	\$ NONE	\$
Child support.....	\$ NONE	\$
Spousal maintenance.....	\$ NONE	\$
Trust income .....	\$ NONE	\$
Other (specify)*		
	\$ NONE	\$
TOTAL MONTHLY INCOME .....	\$7,276	\$
Give details in Addendum below.		
TOTAL COMBINED MONTHLY INCOME.....		\$7,276

**EXPENSES**

Set forth the amount of all expenses that you and your spouse pay each month or the monthly average that you and your spouse have paid for the past six months.

	<b>Joint</b>	<b>Spouse</b>
1. Rent/Mortgage payment .....	<u>\$ 2,100</u>	<u>\$</u>
2. Housekeeping .....	<u>\$ 200</u>	<u>\$</u>
3. Yardwork .....	<u>\$ 145</u>	<u>\$</u>
4. Child care .....	<u>\$ NONE</u>	<u>\$</u>
5. Insurance (not incl. in mtge pymt.) .....	<u>\$ 225</u>	<u>\$</u>
6. Taxes (not incl. in mortgage pymt.) .....	<u>\$ NONE</u>	<u>\$</u>
7. Water, sewer and sanitation .....	<u>\$ 120</u>	<u>\$</u>
8. Electricity .....	<u>\$ 325</u>	<u>\$</u>
9. Gas .....	<u>\$ 60</u>	<u>\$</u>
10. Telephone / mobile / internet / security /business .....	<u>\$ 750</u>	<u>\$</u>
11. Car payments: own lease .....	<u>\$ 1,100</u>	<u>\$</u>
12. Alimony and/or child support .....	<u>\$ NONE</u>	<u>\$</u>
13. Food .....	<u>\$ 300</u>	<u>\$</u>
14. Entertainment .....	<u>\$ 100</u>	<u>\$</u>
15. Other expenses not included above..... Credit Card payments / student loan / Bank	<u>\$ 1,800</u>	<u>\$</u>
<b>TOTAL MONTHLY EXPENSE.....</b>	<u><b>\$7,225</b></u>	<u><b>\$</b></u>
<b>TOTAL COMBINED MONTHLY EXPENSES <u>\$ 7,225</u></b>		



**ASSETS**

Set forth the fair market value of all assets in which you and your spouse have an interest. Enter amounts under "spouse" only if they are the sole and separate property, liability, income or expense of the spouse.

	<b>Joint</b>	<b>Spouse</b>
1. Cash on hand .....	<u>\$ 100</u>	<u>\$</u>
2. Cash in financial institutions (complete Schedule A).....	<u>\$ 800</u>	<u>\$</u>
3. Stock, bonds, and mutual funds (complete Schedule B).....	<u>\$ 38,500</u>	<u>\$</u>
4. Options (Complete Schedule B).....	<u>\$ NONE</u>	<u>\$</u>
5. Commodity futures (Complete Schedule B).....	<u>\$ NONE</u>	<u>\$</u>
6. Limited Liability Company (LLC) interests (Provide details in Schedule K below) .....	<u>\$ 000 / pending</u>	<u>\$</u>
7. Other securities (not included above) (Provide details in Schedule K below).....	<u>\$ NONE</u>	<u>\$</u>
8. Insurance policy cash value (complete Schedule C).....	<u>\$ NONE</u>	<u>\$</u>
9. Funds - owed to you by others (Provide details in Schedule K below).....	<u>\$ 275,000</u>	<u>\$</u>
10. Funds or property held for you by others (Provide details in Schedule K below) .....	<u>\$ NONE</u>	<u>\$</u>
11. Residence (complete Schedule E) .....	<u>\$ 585,000</u>	<u>\$</u>
12. Vacation home (complete Schedule E).....	<u>\$ NONE</u>	<u>\$</u>
13. Farms and Ranches (complete Schedule E) .....	<u>\$ NONE</u>	<u>\$</u>
14. Vacant land (complete Schedule E).....	<u>\$ 218,000</u>	<u>\$</u>
15. Rental property (complete Schedule E).....	<u>\$ 119,000</u>	<u>\$</u>
16. Business property (complete Schedule E).....	<u>\$ NONE</u>	<u>\$</u>
17. Motor vehicles (complete Schedule D).....	<u>\$ 40,000</u>	<u>\$</u>
18. Recreational vehicle and trailers (complete Schedule D).....	<u>\$ NONE</u>	<u>\$</u>
19. Boats and aircraft (complete Schedule D) .....	<u>\$ NONE</u>	<u>\$</u>

20.	Mobile homes (complete Schedule D) .....	<u>\$ NONE</u>	<u>\$</u>
21.	Furniture .....	<u>\$ 8,000</u>	<u>\$</u>
22.	Jewelry.....	<u>\$ 4,000</u>	<u>\$</u>
23.	Livestock, poultry and other animals .....	<u>\$ NONE</u>	<u>\$</u>
24.	Farming supplies and implements .....	<u>\$ NONE</u>	<u>\$</u>
25.	Office equipment, furnishings and Supplies.....	<u>\$ 1,200</u>	<u>\$</u>
26.	Inventory .....	<u>\$ NONE</u>	<u>\$</u>
27.	Patents, copyrights, franchises. ....	<u>\$ NONE</u>	<u>\$</u>
28.	Partnership interests .....	<u>\$ 000</u>	<u>\$</u>
29.	Equitable and future interests, or life estate .....	<u>\$ NONE</u>	<u>\$</u>
30.	Trusts.....	<u>\$ NONE</u>	<u>\$</u>
31.	Precious metals, coins or stones.....	<u>\$ NONE</u>	<u>\$</u>
32.	Stamps or other collections.....	<u>\$ NONE</u>	<u>\$</u>
33.	Firearms .....	<u>\$ NONE</u>	<u>\$</u>
34.	Antique furniture.....	<u>\$ NONE</u>	<u>\$</u>
35.	Paintings, statues or other art objects.....	<u>\$ NONE</u>	<u>\$</u>
36.	Cameras, videos and audio equipment .....	<u>\$ 300</u>	<u>\$</u>
37.	Pension funds, profit sharing funds .....	<u>\$ NONE</u>	<u>\$</u>
38.	IRA's and Keogh plans .....	<u>\$ NONE</u>	<u>\$ 24,000</u>
39.	Deferred compensation plans .....	<u>\$ NONE</u>	<u>\$</u>
40.	Other assets (attach details).....	<u>\$ NONE</u>	<u>\$</u>
	<b>TOTAL ASSETS .....</b>	<b><u>\$ 1,289,900</u></b>	<b><u>\$ 24,000</u></b>
	<b>TOTAL COMBINED ASSETS</b>		<b><u>\$ 1,323,900</u></b>

**LIABILITIES**

---

Set forth all obligations that you and your spouse have as of the date of this statement.

	<b>Joint</b>	<b>Spouse</b>
1. Loans secured by real estate (complete Schedule G).....	<u>\$ 24,500</u>	<u>\$</u>
2. Other secured loans payable (complete Schedule J).....	<u>\$ 619,950</u>	<u>\$</u>
2. Other secured loans payable (complete Schedule D).....	<u>\$ 31,200</u>	<u>\$</u>
3. Unsecured loans or accounts payable (complete Schedule H).....	<u>\$ 5,000</u>	<u>\$</u>
4. Bank charge card balances (complete Schedule I).....	<u>\$ 47,410</u>	<u>\$</u>
5. Taxes payable.....	<u>\$ NONE</u>	<u>\$</u>
6. Other liabilities (not listed above - attach details) Pending .....	<u>\$ 1,750,000</u>	<u>\$</u>
<b>TOTAL LIABILITIES .....</b>	<b><u>\$ 2,478,060</u></b>	<b><u>\$</u></b>
<b>TOTAL COMBINED LIABILITIES</b>		<b><u>\$ 2,478,060</u></b>

## **NET WORTH**

---

**Set forth your combined net worth'. If this amount is different than your Total Combined Assets less your Total Combined Liabilities, then explain in detail on a separate sheet the reasons for the difference.**

**TOTAL COMBINED NET WORTH    \$ (1,154,160)**

**The negative net worth is all based on the situation at Shadow Beverages. An Asset was sold for \$12.2 M on April of 2015 and the company has yet to pay the full purchase price. The Trustee has control of 1.2 million shares of this public company and Shadow was given the shares at a trading price of \$6.00 per share. The problem has been that Mix1 has failed to raise the money they needed to run the business and the brand that they purchased from us. That has caused the stock price to be near \$1 per share the past 6 months. The BK court and trustee have patient in waiting for them to get funding in place to pay the receivable due Shadow and that would help the stock price go up. If those things occurred the \$2M in personal liability would go away as the creditors would be paid first. The creditors fear that I have had control of the stock and I personally took stock to get the deal done. I did not nor did I get compensated in any way.**

**SCHEDULES****SCHEDULE A – Cash in financial institutions**

**INSTRUCTIONS:** Provide the following information on all bank accounts, including checking, savings, credit union, certificates of deposit which are in your name, your spouse's name or in which you have an interest. Specify the name(s) of the person(s) on the account.

Bank/Branch/Address	Type of Account	Account Number	Balance
1. Bank of America	Personal Checking		\$250
2. Bank of America	Bank of America		\$250
3. Wells Fargo	Business Checking		\$300

**SCHEDULE B - Securities, including options and commodities futures**

**INSTRUCTIONS:** Provide the following information on all stocks, bonds, mutual funds, or other securities in which you or your spouse have an interest. Specify the name of the person on the stocks or bonds and where held.

Description	Number of Shares or Units Held	Market Value
<u>TD AmeriaTrade</u>	<u>1 share</u>	<u>\$48,500</u>
<u>Shadow Beverages</u>	<u>1,200,000</u>	<u>\$ 00</u>

**SCHEDULE C - Life Insurance**

**INSTRUCTIONS:** Provide the following information on all life insurance policies in which you or your spouse have an interest. Specify the name of the person on the policies

Name & Address Of Company	Policy Number	Owner	Insured	Face Value	Cash Value	Loans or Assignment s
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

**SCHEDULE D - Motor vehicles, mobile homes, boats, aircraft (include recreational vehicles, trailers, etc.)**

**INSTRUCTIONS:** Provide the following information on all motor vehicles, recreational vehicles, mobile homes, trailers or boats in which you or your spouse have an interest. If leased, complete paragraph 8 on page 18.

Year	Make	Model	License No.	Purchase Price	Value
2011	Lexus	LS 460		\$ 32,000	\$ 26,000
2009	Acura	MDX		\$45,000	\$ 14,000

#### **SCHEDULE E - Real Estate**

**INSTRUCTIONS:** Provide the following information for all real estate in which you or your spouse have an interest.

Address of Property	Title in Name of	Purchase Price	Year Bought	Estimated Value	Indebtedness
1. 772 S Comanche Dr	Joint	\$385,000	2001	\$585,000	\$350,000
2. 26 East 23 <sup>rd</sup> Torrington WY	Joint	\$60,000	1997	\$119,000	\$90,000
	Joint	\$225,000	2006	\$215,000	\$215,000

#### **SCHEDULE F - Accounts Receivable**

**INSTRUCTIONS:** Provide the following information on your receivables of all kinds, including notes or accounts receivable, in which you or your spouse have an interest. (State whether pledged or assigned, and if so, to whom.)

Detailed description	Date Acquired	Amount	Present Value
Shadow Beverages	2013 /2014	\$275,000	000 / pending Chapter 7

#### **SCHEDULE G - Secured Loans**

**INSTRUCTIONS:** Provide the following information on all loans secured by any collateral, unless listed in Schedule J.

Name and Address of Lender	Monthly Payment	Balance Due
1. Valley Bank Platte	\$ 750	\$24,500
Collateral:	Property in Torrington WY	

**SCHEDULE H - Unsecured loans or accounts payable**

**INSTRUCTIONS:** Provide the following information on all unsecured loans, accounts or installments on which you or your spouse are obligated, excluding mortgages or deeds of trust. Specify whether you or your spouse or both are obligated.

Name and Address of Lender	Monthly Payment	Balance Due
1. Dennis Smith	\$500	\$5,000

**SCHEDULE I - Bank credit cards.**

**INSTRUCTIONS:** Provide the following information on all bank charge cards in your name or your spouse's name.

Issuer Name and Address	Account No. /Description	Monthly Payment	Amount Owing	Dollar Limit
1. OA		\$247	\$10,404	Closed
2. OA		\$181	\$9,426	Closed
3. esert Schools		\$173	\$2,839	Closed
4. merican Express		\$301	\$5,041	Closed
5. hase		\$468	\$19,700	\$21,000

**SCHEDULE J - Mortgages and Deeds of Trust**

**INSTRUCTIONS:** Provide the following information for each mortgage or deed of trust on which you or your spouse owe money. Include secured leases.

Name and Address of Lender	Account No.	Loan Amount	Monthly Payment	Balance
1. cwen		\$385,000	\$2,109	\$334,404

**Collateral:** 1772 South Comanche, Chandler AZ - residence

2. SBC		\$60,000	\$490	\$49,350
Collateral: Rental property in Torrington Wyoming				

**SCHEDULE K**

**INSTRUCTION:** List all other property, property rights or income if not described elsewhere in this form. State the name, address and phone number of the provider of all income and location of all property.

Note due from Shadow Beverages – in Chapter 7 court. \$275,000 could be collected if Mix1 pays for the asset they purchased, but other lenders would be paid before me.

Own 1,200,000 shares of the company – no value currently

1. Do you or your spouse have any liability as guarantor or endorser (co-maker)?

Yes ☒ No ☐

If yes, indicate for whom, name and address of that person, and amount.

The amount is being determined by the ACC and the process of Chapter 7 of Shadow Beverages. The promissory note was based on my holdings in the company of Shadow. The liability could reach \$2,000,000.

2. Do you have access to any safe deposit box or other depository for securities, cash or other valuables?

Yes ☐ No ☒

3. Is there any property now being held for you in the name of some person other than yourself, or is any person, firm, or entity holding anything for you or for your benefit, whether the arrangement is formal or informal, oral or written?

Yes ☐ No ☒

4. Have you or your spouse ever been denied a bond, either personally or in connection with business?

Yes ☐ No ☒

8. Do you or your spouse lease any property?

Yes ☐ No ☒

This information is true and accurate for Lucio George Martinez and Lisa Kay Martinez;

\_\_\_\_\_  
Lucio George Martinez

\_\_\_\_\_  
Lisa Kay Martinez